
AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds have been completed with satisfactory results. The projects require approval under State law.

- a. Issuing Authority: Horry County
Amount of Issue: Not Exceeding \$1,000,000 Hospital Revenue Bonds
Allocation Needed: - 0 -
Name of Project: Shoreline Behavioral Health Sciences
Employment Impact: N/A
Project Description: refinancing existing debt of Shoreline Behavioral Health Services; and costs of issuance
Bond Counsel: Francenia B. Heizer, McNair Law Firm
- b. Issuing Authority: Orangeburg County
Amount of Issue: Not Exceeding \$2,000,000 Hospital Revenue Bonds
Allocation Needed: - 0 -
Name of Project: Dawn Center Project
Employment Impact: N/A
Project Description: acquisition, construction, furnishing and equipping of a 6,650 square foot new facility and for the renovation of approximately 1,500 square feet of an existing facility, both for outpatient alcohol and drug abuse treatment
Bond Counsel: Rion D. Foley, McNair Law Firm

BOARD ACTION REQUESTED:

Adopt a resolution approving the referenced proposal to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY HORRY COUNTY, SOUTH CAROLINA, OF HOSPITAL REVENUE BOND(S) (SHORELINE BEHAVIORAL HEALTH SERVICES PROJECT) IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,000,000, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED.

WHEREAS, the County Council of Horry County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Sections 44-7-1440 and 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Horry County, South Carolina (the "County") pursuant to the Act of its Hospital Revenue Bond(s) (Shoreline Behavioral Health Services Project) in the aggregate principal amount of not exceeding \$1,000,000 (the "Bond(s)"); and

WHEREAS, by Resolution adopted April 8, 2003, the County agreed to assist Shoreline Behavioral Health Services (the "Borrower"), by issuing its hospital revenue bond(s) (Shoreline Behavioral Health Services Project) pursuant to Section 44-7-1440 of the Act to refinance existing debt of Shoreline with The Conway National Bank and to pay certain costs of issuance with respect to the Bond(s) (the "Project").

WHEREAS, the Bond(s) will be payable from and secured by an assignment of the obligations of the Borrower under a Loan Agreement and by a mortgage and security interest in the Project; and

WHEREAS, the County has submitted with the Petition a copy of the Resolution adopted by the County on April 8, 2003, and this Board has reviewed and considered said document in its consideration of said Petition by the County.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made such review of the matters set forth in the Petition as it deems advisable, and on that basis it is hereby found, determined and declared:

(a) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Sections 44-7-1440 and 44-7-1590 of the Act;

(b) The Project as described in the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of the Project, to make the Bond(s) proceeds available to Shoreline, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bond(s), secured by an assignment of the revenues to be derived from a loan agreement, and further secured by a mortgage and security interest in the Project, be and the same is hereby and in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County as long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Borrower, and do not make inaccurate, except as to dates and amounts, the summaries of the loan agreement and/or trust indenture to be entered into by the County and the Borrower and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Sun News which is a newspaper having general circulation in Horry County.

Section 4. The notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 44, CHAPTER 7, ARTICLE 11
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Sections 44-7-1560 and 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Horry County, South Carolina, has given its approval to the following undertaking by Horry County, South Carolina.

The issuance by Horry County, South Carolina of its Hospital Revenue Bond(s) (Shoreline Behavioral Health Services Project), in the original principal amount of not exceeding \$1,000,000 (the "Bond(s)"), to be used by Shoreline Behavioral Health Services, a South Carolina not-for-profit corporation ("Shoreline"). The proceeds of the Bond(s) will be used by Shoreline to refinance existing debt of Shoreline with The Conway National Bank and to pay certain costs of issuance with respect to the Bond(s) (the "Project"). The Bond(s) proceeds will be made available to Shoreline pursuant to a loan agreement between the County and Shoreline (the "Loan Agreement"), under which Shoreline will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bond(s). The Bond(s) are to be additionally secured by a mortgage and security interest in the Project granted under the terms of a mortgage and security agreement (the "Mortgage") between Shoreline and the purchaser of the Bond(s).

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bond(s) by Horry County to finance the same, by action de novo instituted in the Circuit Court for Horry County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: Delbert H. Singleton, Jr.

Dated: May 15, 2003.

A RESOLUTION

APPROVING THE ISSUANCE BY ORANGEBURG COUNTY, SOUTH CAROLINA, OF A HOSPITAL FACILITIES REVENUE NOTE (DAWN CENTER PROJECT) SERIES 2003 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,000,000, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7 (1976), AS AMENDED.

WHEREAS, the County Council of Orangeburg County, South Carolina (the "Governing Board") by submitting a petition (the "Petition") under and pursuant to the provisions of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act") has requested the approval by the State Budget and Control Board of the issuance by Orangeburg County, South Carolina (the "County") pursuant to the Act of its Hospital Facilities Revenue Note (Dawn Center Project) in the aggregate principal amount of not exceeding \$2,000,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of the acquisition, construction, furnishing and equipping of a 6,650 square foot new facility and for the renovation of approximately 1,500 square feet of an existing facility, both for outpatient alcohol and drug abuse treatment (the "Project"); and

WHEREAS, the Note proceeds are to be made available to the Tri-County Commission on Alcohol & Drug Abuse (the "Commission") under and pursuant to the terms of a Loan Agreement (the "Loan Agreement") upon terms which require the Commission to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Commission by a mortgage and security agreement (the "Mortgage") in the Project and other facilities of the Commission (the "Commission Facilities"); and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Commission under the Loan Agreement and by the Mortgage; and

WHEREAS, the County has submitted with the Petition (i) a Resolution authorizing an Inducement Agreement and the Inducement Agreement by and between the Commission and the County executed by the County on April 7, 2003 and thereafter by the Commission, (ii) a copy of a Resolution and Petition adopted by the County on April 7, 2003, and (iii) an Ordinance scheduled to undergo third reading on May 19, 2003, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County.

NOW THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made such review of the matters set forth in the Petition as it deems advisable, and on that basis it is hereby found, determined and declared:

(a) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein and the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-7-1590 of the Act; and

(b) The Project as described in the Petition of the Governing Board is intended to promote the purposes of the Act.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of the Project, to make the Note proceeds available to the Commission, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, secured by an assignment of the revenues to be derived from the Commission Facilities pursuant to the terms and provisions of the Loan Agreement, and further secured by the Mortgage, is hereby and in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County as long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power and are approved by the Governing Board and the Commission.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County (the "Notice of Approval") shall be published in The Times and Democrat and The State, newspapers having general circulation in the County.

Section 4. The Notice of Approval shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Orangeburg County, South Carolina ("County Council"), has given its approval to the following undertaking by Orangeburg County, South Carolina:

The issuance by Orangeburg County of its Hospital Facilities Revenue Note (Dawn Center Project) Series 2003, in the original principal amount of not exceeding \$2,000,000 (the "Note"), to defray the cost of the acquisition, construction, furnishing and equipping of a 6,650 square foot new facility and for the renovation of approximately 1,500 square feet of an existing facility, both for outpatient alcohol and drug abuse treatment (the "Project") by the Tri-County Commission on Alcohol & Drug Abuse (the "Commission"), a South Carolina publicly supported agency, to be located at 910 Cook Road, Orangeburg, South Carolina. The Note proceeds will be made available to the Commission pursuant to a loan agreement under which the Commission will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by the Commission and the Note is to be additionally secured by a mortgage and security agreement in the Project and other facilities of the Commission granted in favor of Branch Banking and Trust Company, the purchaser of the Note. The Note shall not constitute a charge against the general credit or taxing powers of Orangeburg County.

Pursuant to a petition filed with the State Budget and Control Board, the County Council has found that (a) there is a need for the Project in the area selected for its construction, (b) the Commission is financially responsible and capable of fulfilling its obligations with respect to the Note, the Project and the loan agreement, (c) adequate provision has been made for payment of the Note and operation of the Project and (d) adequate public facilities, including utilities necessary for the Project, will be made available.

There is no need for a Certificate of Need from the South Carolina Department of Health and Environmental Control as evidenced by the exemption granted on April 11, 2003 by the Bureau of Health Facilities and Services Department, South Carolina Department of Health and Environmental Control.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Orangeburg County to finance the same, by action de novo instituted in the Circuit Court for Orangeburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: Delbert H. Singleton, Jr.
Board Secretary

Dated: May 16, 2003